

HOUSE BILL 1396

By Clem

AN ACT to amend Tennessee Code Annotated, Sections 50-7-403(b)(1), 50-7-403(g) and 50-7-451(b)(1), relative to the employment security law.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 50-7-403(b)(1)(A), is amended in the last sentence of such subdivision by deleting the language “premium rate tables 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10” and substituting instead the language “premium rate tables 1, 2, 3, 4, 5 and 6”.

SECTION 2. Tennessee Code Annotated, Section 50-7-403(b)(1)(B), is amended in the sixth sentence of such subdivision by deleting the language “premium tables 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10” and substituting instead the language “premium rate tables 1, 2, 3, 4, 5 and 6”.

SECTION 3. Tennessee Code Annotated, Section 50-7-403(g), is amended by deleting the first sentence of such subsection in its entirety and by substituting instead the following:

Variations from the standard rate of premiums for employers other than those referred to in Section 50-207(b)(3)(A) and (B) shall be determined, beginning July 1, 2001, by the reserve ratio of each employer in accordance with premium rate tables 1, 2, 3, 4, 5 and 6 as set forth below, depending on the provisions of subsection (j).

This subsection is further amended by deleting the chart in such subsection which reads as follows:

**Premium Rate Chart**

	Premium	Premium	Premium	Premium	Premium	Premium	Premium	Premium	Premium	Premium
	Table 1	Table 2	Table 3	Table 4	Table 5	Table 6	Table 7	Table 8	Table 9	Table 10
	Trust	Trust	Trust	Trust	Trust	Trust	Trust	Trust	Trust	Trust
Reserve	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund
Ratio	under	over	over	over	over	over	over	over	over	\$750
Percent	\$300	\$300	\$350	\$400	\$450	\$500	\$550	\$600	\$650	million
	million	to	to	to	to	to	to	to	to	and over
		\$350	\$400	\$450	\$500	\$550	\$600	\$650	\$750	
		million	million	million	million	million	million	million	million	
20.0 and over	.50	.45	.40	.30	.20	.15	.10	.05	.03	.00
18.0 and less than 20.0	.70	.65	.55	.35	.25	.20	.15	.10	.05	.05
16.0 and less than 18.0	.90	.70	.65	.40	.30	.25	.20	.15	.10	.10
14.0 and less than 16.0	1.1	.75	.70	.40	.37	.32	.27	.22	.17	.17
12.0 and less than 14.0	1.3	1.2	1.0	.50	.45	.40	.35	.30	.25	.25
11.0 and less than 12.0	1.6	1.4	1.2	.75	.68	.60	.55	.50	.45	.30
9.5 and less than 11.0	2.1	1.8	1.5	1.0	.90	.80	.75	.70	.65	.50
8.0 and less than 9.5	2.5	2.1	1.8	1.2	1.1	1.0	.95	.90	.85	.70
7.0 and less than 8.0	2.9	2.5	2.1	1.5	1.4	1.3	1.25	1.20	1.15	1.0
6.0 and less than 7.0	3.3	2.8	2.4	1.8	1.7	1.6	1.55	1.50	1.45	1.3
5.0 and less than 6.0	3.8	3.2	2.7	2.1	2.0	1.9	1.85	1.80	1.75	1.6
2.7 and less than 5.0	4.1	3.5	3.0	2.4	2.3	2.2	2.15	2.10	2.05	1.9
0.0 and less than 2.7	4.5	3.9	3.3	3.0	2.7	2.6	2.55	2.50	2.45	2.3
Less than 0.0 and more than -2.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0

-2.0 and more than -4.0	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
-4.0 and more than -6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
-6.0 and more than -8.0	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5
-8.0 and more than -10.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
-10.0 and more than -12.0	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
-12.0 and more than -14.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
-14.0 and more than -16.0	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5
-16.0 and more than -18.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
-18.0 and more than -20.0	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5
-20 and under	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0

and substituting instead the following new chart:

#### Premium Rate Chart for Nongovernmental Employers

	Premium	Premium	Premium	Premium	Premium	Premium
	Table 1	Table 2	Table 3	Table 4	Table 5	Table 6
	Trust	Trust	Trust	Trust	Trust	Trust
Reserve	Fund	Fund	Fund	Fund	Fund	Fund
Ratio	under	\$450	\$525	\$600	\$675	\$750
Percent	\$450	to	to	to	to	million
	million	under	under	under	under	and
		\$525	\$600	\$675	\$750	over
		million	million	million	million	
20.0 and over	0.50	0.45	0.40	0.30	0.15	0.00
18.0 and less than 20.0	0.70	0.65	0.55	0.35	0.20	0.05

16.0 and less than 18.0	0.90	0.70	0.65	0.40	0.25	0.10
14.0 and less than 16.0	1.1	0.75	0.70	0.40	0.32	0.17
12.0 and less than 14.0	1.3	1.2	1.0	0.50	0.40	0.25
11.0 and less than 12.0	1.6	1.4	1.2	0.75	0.60	0.30
9.5 and less than 11.0	2.1	1.8	1.5	1.0	0.80	0.50
8.0 and less than 9.5	2.5	2.1	1.8	1.2	1.0	0.70
7.0 and less than 8.0	2.9	2.5	2.1	1.5	1.3	1.0
6.0 and less than 7.0	3.3	2.8	2.4	1.8	1.6	1.3
5.0 and less than 6.0	3.8	3.2	2.7	2.1	1.9	1.6
2.7 and less than 5.0	4.1	3.5	3.0	2.4	2.2	1.9
0.0 and less than 2.7	4.5	3.9	3.3	3.0	2.6	2.3
Less than 0.0 and more than -2.0	5.0	5.0	5.0	5.0	5.0	5.0
-2.0 and more than -4.0	5.5	5.5	5.5	5.5	5.5	5.5
-4.0 and more than -6.0	6.0	6.0	6.0	6.0	6.0	6.0
-6.0 and more than -8.0	6.5	6.5	6.5	6.5	6.5	6.5
-8.0 and more than -10.0	7.0	7.0	7.0	7.0	7.0	7.0
-10.0 and more than -12.0	7.5	7.5	7.5	7.5	7.5	7.5
-12.0 and more than -14.0	8.0	8.0	8.0	8.0	8.0	8.0
-14.0 and more than -16.0	8.5	8.5	8.5	8.5	8.5	8.5
-16.0 and more than -18.0	9.0	9.0	9.0	9.0	9.0	9.0
-18.0 and more than -20.0	9.5	9.5	9.5	9.5	9.5	9.5

-20 and under	10.0	10.0	10.0	10.0	10.0	10.0
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SECTION 4. Tennessee Code Annotated, Section 50-7-451(b)(1), is amended by deleting the language “January 1, 1999” in the first sentence of such subdivision and substituting instead the language “July 1, 2001”.

This subdivision is further amended by deleting the language “premium tables 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10” in the first sentence of such subdivision and substituting instead the language “premium rate tables 1, 2, 3, 4, 5 and 6”.

This subdivision is further amended by deleting the language “premium table 10” in the second sentence of such subdivision and substituting instead the language “premium rate table 6”.

SECTION 5. This act shall take effect July 1, 2001, the public welfare requiring it.